



# SURETY DIVISION

## TARGET AGENCY PROFILE CONTRACT & COMMERCIAL SURETY

### General

Our Surety Division works with local, regional, and national agents and brokers who represent contractors seeking performance bonds to Commercial Surety account business as well as a small transactional Surety bond needs. We seek the individual producers, as well as agency or brokerage firms which have strong moral character, and a good business reputation. While PHLY does work with national brokers, our relationships are handled on a local or regional basis.

### Economic Model

The targeted minimum annual premium of a PHLY Surety agency is \$250,000 of contract premium and/or \$50,000 of commercial premium, measured after two full years of writing with the goal to increase premiums over time through the acquisition of new business.

### Book of Business

A PHLY Surety agent should manage a sizeable book of profitable contractors which regularly require bonds. Your book of contractor business should include accounts that match the PHLY Target Account Profile, including size of account and class of business (contractors in the Middle Market Segment). We are interested in agents who maintain a good mix of business in their local geographic area and continue to seek new business opportunities.

The PHLY agent should have a department or person dedicated to growing their Commercial Surety book of business. The agency should actively seek out new sources of Commercial Surety business, both account and transactional. For Commercial Surety account business, the agency should be able to source and produce profitable principals which have multiple bond needs spread over several class codes. These accounts can range in size from a minimum of \$100,000 in aggregate exposure up to \$150M and even larger in certain cases, in total aggregate exposure. For those agents who focus on Commercial Surety, they should have a good mix of business from several different industries.

We look for PHLY agents to also maintain a good relationship with other Surety markets. We want a strong position in your agency and we want to be considered one of your top "go to" markets.

### Characteristics

A PHLY Surety agency should demonstrate the following characteristics:

- Surety knowledge and an understanding of the local construction market
- Adequate staffing with personnel dedicated to the Surety line
- Complete and timely submissions
- Well thought out recommendations and advice to the customer
- Ability to work with the Surety and the contractor to address issues
- Good communication of the Surety's position to the contractor or commercial account
- Identification of our niche of business by submitting accounts that fit our Target Account Profile

### Pricing Criteria

PHLY Surety aligns ourselves with agencies that sell service and not just rates. We provide a competitive commission schedule for quality business and professional service. Your agency should handle the execution of bonds; process and report business in a timely manner, and collect and pay the premiums due to the Surety within the terms of the Agency Agreement.

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